

4.—Capital, Maintenance and General Expenditures on Rural Highways in Canada, by Provinces, 1938-42—concluded

Item	1938	1939	1940	1941	1942
	\$	\$	\$	\$	\$
Dominion-Provincial Distribution of All Expenditures					
Dominion—net expenditures and subsidies.....	5,984,728	7,948,561	2,549,525	2,204,229	5,141,755
Provincial—net expenditures and subsidies.....	92,824,563	77,941,653	72,532,568	65,674,552	52,660,076
Municipal—net expenditures and subsidies.....	5,054,500	5,955,591	4,851,506	7,752,012	4,694,404
Subsidies from other sources ¹	Nil	Nil	Nil	358,392	343,702

¹ Includes payments from railways *re* elimination of grade crossings, etc., formerly operated under Dominion.

Provincial Funded Debt Incurred for Highways.—By far the greater portion of the highway expenditure has been made by the provinces and consequently must be paid out of provincial taxes. Payment for much of the construction costs has been deferred and this has accounted for part of the rapid increase in provincial funded debt since 1919. In 1919 the net funded debt of all the provinces was \$270,338,092; by 1942 it had increased to \$1,531,893,033, the portion chargeable to highways being \$792,544,151 or more than double the net debt for all purposes in 1919. As already explained at p. 595, the provincial systems of modern motor roads have been developed almost entirely since 1919 and prior to that time the provincial expenditures on highways were relatively small.

5.—Provincial Government Funded Highway Debt and Annual Charges Thereon, 1940-42

NOTE.—Provincial Governments report for their respective fiscal years ended on the dates indicated in Table 1, p. 596.

Province	Highway Debt Outstanding			Annual Interest, Sinking Fund and Capital Payments					
	1940	1941	1942	1940	1941	Details, 1942			Total
						Interest	Sinking Fund	Payment of Capital	
\$	\$	\$	\$	\$	\$	\$	\$	\$	
P.E.I.	1	1	1	1	1	1	1	1	1
N.S....	56,509,950	66,666,662	66,665,890	2,837,939	2,438,922	2,438,922	400,605	—	2,839,527
N.B....	73,543,303	74,191,317	74,473,577	4,140,855	3,060,021	3,081,017	377,138	95,000	3,553,155
Que....	138,522,381	147,645,000	157,505,956	13,166,525	4,950,000	5,355,000	2,435,000	—	7,790,000
Ont....	326,460,548	344,562,789	351,863,030	16,323,027	17,228,139	17,593,152	—	—	17,593,152
Man....	17,727,996	17,693,860	17,972,539	1,015,511	848,662	850,690	121,803	—	972,493
Sask....	33,818,920	33,818,920	33,878,920	1,513,533	1,508,194 ²	1,500,757 ²	69,420 ²	—	1,570,177
Alta....	42,124,071	43,158,973	44,290,637	1,177,564	1,201,632	1,252,296	—	—	1,252,296
B.C....	43,820,442	43,953,602	45,953,602	2,282,762	1,955,466	2,015,466	1,231,625	—	3,247,091
Totals	732,527,611	771,691,123	792,544,151	42,457,716	33,191,036	34,087,300	4,635,591	95,000	38,817,891

¹ Not reported.

² Paid during the year.

Provincial Government Revenues from Motor-Vehicles.—The taxation of motor-vehicles, garages, chauffeurs, etc., is an important source of Provincial Government income. In every province the following licences or permits, duly issued by the provincial authorities, are required: motor-vehicles of all kinds, trailers, operators or drivers, paid chauffeurs, dealers, garages and gasoline and